

Public Safety Civil Service Commission's
Budget Rent A Car Practices

April 24, 2001



City of Seattle

Office of City Auditor
Susan Cohen, City Auditor

April 24, 2001

The Honorable Paul Schell
The Honorable Jim Compton
City of Seattle
Seattle, Washington

Dear Mayor Schell and Councilmember Compton:

Enclosed is our report, Public Safety Civil Services Commission's Budget Rent A Car Practices. We obtained comments on the draft from the Commission. Their comments are attached to this report as is our response to their comments.

If you have any questions regarding this report, please call me at 233-1093.

Sincerely,

Susan Cohen

Enclosure

cc: Public Safety Civil Service Commissioners
Ruby Dell Harris, Chief Examiner and Secretary

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Office of City Auditor

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April 24, 2001

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EXECUTIVE SUMMARY

The Office of City Auditor initiated the review of the Public Safety Civil Service Commission's (Public Safety Commission) Budget Rent A Car Practices in October 2000. The impetus for the audit was the Department of Finance's concerns about whether rental car invoices, submitted by an Administrative Specialist I and authorized by the Public Safety Commission, were justified on the basis of City business.

Our findings on the Public Safety Commission's rental car practices include:

- Public Safety Commission's Secretary and Chief Examiner authorized the personal use of City rental cars, which violated the Seattle Municipal Code: SMC 3.18.140 prohibits personal use of City owned or leased motor vehicles, and SMC 4.16.070 prohibits the use of City property for non-City purposes.
- Neither the Public Safety Commission, nor the Secretary and Chief Examiner, established clear guidelines to ensure that the rental cars were justified on the basis of City business, as required by City laws and policies. The Secretary and Chief Examiner also authorized payments of car rentals used exclusively for personal business and for overtime scheduled in the office, which violated the Seattle Municipal Code.
- Public Safety Commission's management and internal controls were inadequate, and the Secretary and Chief Examiner did not maintain records of rental charges incurred for City business vs. personal business.

Our recommendations include:

- The Administrative Specialist reimburse the City in the amount of \$523.42 for rental charges associated with the personal use of vehicles rented for City business between May and November 2000.
- The Public Safety Commission should develop a policy that clearly defines the circumstances warranting use of a rental car and circumstances requiring reimbursement by the Administrative Specialist. The Public Safety Commission should develop a car rental policy that complies with the Seattle Municipal Code.
- The Public Safety Commission should establish appropriate internal controls to account for the expenses incurred by using Budget Rent A Car vehicles. The Secretary and Chief Examiner should ensure that all daily rental charges are consistent with authorized business requirements prior to processing payments.
- The Public Safety Commission should ensure that the City Motor Pool is contacted prior to renting vehicles from outside vendors and the Vehicle Special Assignment form is completed in advance of examinations. The Vehicle Special Assignment form should be maintained as documentation to justify any car rentals from outside vendors.
- The Administrative Specialist should discontinue personal use of vehicles rented to conduct City business and charging car rental expenses to the City for commutes between the Public Safety Commission business office and her residence.
- The Public Safety Commission should consider the commuting requirements associated with off-site testing, in consultation with the Personnel Department, to determine whether access to a private vehicle is a bona fide job requirement for the Administrative Specialist.

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CHAPTER I: INTRODUCTION

The Office of City Auditor initiated the review of the Public Safety Civil Service Commission's (Public Safety Commission) Budget Rent A Car Practices. The impetus for the audit was the Department of Finance's concerns about whether rental car invoices, submitted by an Administrative Specialist I and authorized by the Public Safety Commission, were justified on the basis of City business. During 2000, the Public Safety Commission rented a series of vehicles from Budget Rent A Car to provide transportation for an Administrative Specialist who commuted between her residence and off-site examination locations. However, the Public Safety Commission also allowed the Administrative Specialist to use the rental cars for scheduled overtime in the Commission's business office and for personal business.

Organization of the Public Safety Commission

The Public Safety Commission was established in 1979 to implement, administer, and direct a civil service system for specified uniformed personnel of the Fire and Police Departments. The Public Safety Commission is composed of three members who each serve a three-year term. The Mayor and City Council each appoint one Commissioner and the Police and Fire Department employees elect the third Commissioner.

The Commission appoints a Secretary and Chief Examiner, who is responsible for managing the office and its functions, maintaining official records and reports, and performing other duties as directed by the Commission. Currently, the Public Safety Commission is staffed by 4.75 full-time equivalent employees.

The Commission's responsibilities include classifying positions, hearing appeals, and administering entry-level and promotional examinations for select Police and Fire Department personnel. The Public Safety Commission's business facilities, located in downtown Seattle, are currently shared with the Civil Service Commission.

City Motor Pool Service and Budget Rent A Car Contract Service

The City's Fleet and Facilities Department maintains a fleet of Motor Pool vehicles that City employees may reserve to conduct City business. Although Motor Pool vehicles may be reserved for a maximum of 30 days, vehicles are generally reserved for less than 24 hours. City employees who plan to reserve Motor Pool vehicles on an extended basis (i.e., overnight or longer) are required to complete a Vehicle Special Assignment Form. The Motor Pool generally requires a 24-hour advance notice if a vehicle is reserved for less than one week, and a one-week notice if the vehicle is reserved for more than one week. City employees are restricted from using Motor Pool and other City-owned vehicles for personal business.

When the Motor Pool does not have a sufficient number of vehicles to accommodate employee reservations, the Motor Pool generally refers City employees to Budget Rent A Car. The City has a blanket contract¹ with Budget Rent A Car for rentals of automobiles, vans and sports utility vehicles required for City business. The City blanket contract indicates that the rental car

¹City of Seattle Vendor Contract #B90004, Change Order #3 with Budget Rent A Car & Truck, September 13, 1999.

services are to be used by City employees in the course of official state or local government business. In practice, however, Budget Rent A Car allowed City employees to rent cars exclusively for personal business at the City's contractual rates.²

Public Safety Commission's Requirements for Rental Cars

Due to the large number of Seattle Fire and Police Department examinations, applicants and space constraints during 2000, the Public Safety Commission frequently conducted examinations at locations other than its business office. In fact, 31 examinations were conducted between May and November 2000 at five off-site locations: the Aljona Conference Center (Seattle), the University of Washington (Seattle), Interlake High School (Bellevue), Tyee High School (South Seattle), and the Washington State Criminal Justice Center (Burien).³

Although the Public Safety Commission conducted examinations throughout 2000, the Administrative Specialist was able to secure Motor Pool vehicles for transportation to off-site examinations until May 2000. In May 2000, the Motor Pool referred the Administrative Specialist to Budget Rent A Car because no vehicle was available for a series of 13 examinations scheduled during a 15-day period. The Public Safety Commission did not provide sufficient advance notice to secure a Motor Pool vehicle for the examination series.⁴

However, no further attempts were made to secure a Motor Pool vehicle for subsequent examination cycles and scheduled overtime, and the Secretary and Chief Examiner continued to authorize the Administrative Specialist's use of rental cars for those purposes. The Public Safety Commissioners were aware of the rental car practices.⁵

STUDY OBJECTIVES

The Office of City Auditor initiated the Public Safety Civil Service Commission's Budget Rent A Car Practices Audit in October 2000. The primary objectives of this audit were to review the Public Safety Commission's management guidelines and internal controls for the authorization and payment of rental cars and to determine whether the Administrative Specialist's car rentals were appropriately justified on the basis of City business.

SCOPE

²Budget Rent A Car's administrative office later indicated that City employees were not allowed to rent vehicles at the contractually reduced rate for personal business.

³Police promotional examinations were also held at the Holiday Inn Hotel near Seattle Center and entry-level police officers' physical agility tests were administered at Lake Washington High School in Kirkland, Washington. However, the Administrative Specialist did not use rental cars to commute to these examination sites.

⁴The Secretary and Chief Examiner indicated that the Administrative Specialist provided sufficient advance notice for a Motor Pool car, however, no Vehicle Special Assignment Form was completed or turned in a week prior to the examination date. The Secretary and Chief Examiner also indicated that the Commission was never told to contact Motor Pool prior to renting vehicles from Budget Rent A Car, but the common City practice is to use internal resources prior to purchasing outside services.

⁵The use of rental vehicles was discussed at a Public Safety Commission meeting and noted in the meeting minutes, although questions were raised about whether each Commissioner was fully informed about the extent of the Administrative Specialist's use of the rental cars.

The audit scope was limited to the analysis of the Public Safety Commission car rental practices in 2000, which included a review of City policies and procedures, the blanket contract with Budget Rent A Car, the Administrative Specialist's timesheets, car rental invoices, voucher entry requests, and disbursements. Audit staff also interviewed City managers and staff from the Finance Department's Accounting Services Division, the Ethics and Elections Commission, and the Public Safety Commission.

The Public Safety Civil Service Commission's Budget Rent A Car Practices Audit was conducted between October 2000 and January 2001 in accordance with generally accepted government auditing standards.

CHAPTER II: CAR RENTAL PRACTICES

This chapter focuses on the Public Safety Commission's management oversight and internal controls for authorizing and monitoring the use of rental cars secured under the City's contract with Budget Rent A Car. The Public Safety Commission's rental car practices are also evaluated, including the frequency of car rentals, the rental expenses, and the rental mileage for business and personal use. In addition, the Public Safety Commission's rental car practices are reviewed for compliance with the Seattle Municipal Code provisions, including the Code of Ethics, which restrict the use of City-owned and leased vehicles.

Administrative Specialist's Duties and Transportation Requirements

The Administrative Specialist was employed by the Public Safety Commission to handle a variety of administrative responsibilities, which included assisting with the preparation of examination materials and monitoring examination processes. The Administrative Specialist, who lived in Kirkland, did not own a car and generally relied upon public transportation to commute to and from the Commission's business office in downtown Seattle. The Public Safety Commission was required to make alternate transportation arrangements for the Administrative Specialist to commute between her residence and the off-site examination locations between May and November 2000. The Public Safety Commission authorized the Administrative Specialist to rent nine Budget Rent A Car vehicles.

FINDINGS AND RECOMMENDATIONS

FINDING 1: PUBLIC SAFETY COMMISSION'S SECRETARY AND CHIEF EXAMINER APPROVED CAR RENTALS THAT WERE NOT CONSISTENTLY JUSTIFIED ON THE BASIS OF CITY BUSINESS

As noted in Chapter I, the Secretary and Chief Examiner authorized the use of rental cars when the Administrative Specialist commuted between her residence and off-site examination locations. In addition, the Secretary and Chief Examiner informally authorized the Administrative Specialist to use rental cars for commuting purposes when overtime was scheduled in the office to prepare examination materials. However, with the tacit approval of the Public Safety Commission and the explicit approval of the Secretary and Chief Examiner, the Administrative Specialist also used rental cars, secured from Budget Rent A Car for City business, to conduct personal business. The Administrative Specialist indicated that she also rented cars from Budget Rent A Car under the City's blanket contract exclusively for personal business.

Exhibit 1 below displays the total number of days that the Public Safety Commission rented vehicles, the number of days that the vehicles were used to conduct City business, and the number of days the vehicles were used for personal business. Exhibit 1 also displays the Public Safety Commission's total charges for the rental cars, as well as the estimated rental costs for City business days and the rental costs for personal days.

Exhibit 1
Comparison of Public Safety Commission's
City and Personal Rental Days and Charges in 2000

Invoice Dates	Total Invoice Days	City Business Days	Personal Rental Days	Total Charges	Estimated City Charges	Estimated Charges for Personal Days
May 5th-22nd	17	14	3	\$603.33	\$496.86	\$106.47
June 5th-12th	7	5	2	255.53	182.52	73.01
June 23rd-July 5th	12	5	7	468.47	195.20	273.27
July 7th-10th	3	0	3	131.28	0.00	131.28
July 14th-17th	3	0	3	127.76	0.00	127.76
July 21st-26th	5	3	2	212.94	127.76	85.18
September 8th-11th	3	3	0	127.76	127.76	0.00
September 29th-October 2nd	3	2	1	148.04	98.69	49.35
November 3rd-6th	3	2	1	144.67 ^a	96.45	48.22
Total	56	34	22	\$2,219.78	\$1,325.24	\$894.54

Note^a: Accounting Services made payments on all invoices with the exception of the November 3rd through 6th invoice for \$144.67.

Sources: Public Safety Commission's 2000 Examination Schedule, Budget Rent A Car Invoices, and the Administrative Specialist's 2000 Timesheets.

As shown in Exhibit 1, the Public Safety Commission authorized the Administrative Specialist to rent nine vehicles for a total of 56 days between May and November 2000. The total charges for the nine car rentals were \$2,219.78.

Audit staff analyzed the Public Safety Commission's examination calendars, the Administrative Specialist's timesheets, and the Budget Rent A Car invoices to determine how many examination and overtime dates were scheduled during the nine rental periods. Because the Administrative Specialist was required to arrive at off-site examination locations as early as 6:30 a.m., which was not possible given the public transportation services available between her residence and the examination locations, we determined that car rentals were justified for commuting to off-site examinations. Rental days were determined to be City business days if overtime hours were scheduled beyond the hours that public transit service was available. Based on the analysis, 34 of the rental days were City business days and 22 were personal rental days.⁶ (Please see Appendix 1 for a precise listing of the City business and personal rental dates and charges.) The daily rental charges for the 34 City business rental days were \$1,325.24, and daily rental charges for the remaining 22 personal rental days were \$894.54.

⁶The Administrative Specialist did not maintain a log of personal use days but acknowledged that she generally used the rental cars on weekend days when no tests were scheduled. Thus, all rental days and charges for Saturdays and Sundays were considered personal use days in the audit analysis. Friday evenings were considered business days, even if the car was used for personal business, because the rental cars had to be checked out on Fridays when examinations were scheduled on weekends or on Monday mornings due to Budget Rent A Car's days and hours of operation.

It should be noted that the Administrative Specialist worked overtime hours in the office on five of the rental car days. However, the five days that the Administrative Specialist worked overtime in the office were considered personal use days, because Metro Transit provided bus service between Kirkland and downtown Seattle between approximately 6:00 a.m. and 10:00 p.m. on weekdays, and between 8:30 a.m. and 10:30 p.m. on Saturdays. Thus, the Administrative Specialist could have scheduled the overtime hours to coincide with the scheduled bus service. In addition, the Administrative Specialist's use of a rental car for commuting to the Public Safety Commission business office was inconsistent with the Seattle Municipal Code. Specifically, SMC 4.68.060 states that the City will not reimburse an employee for travel between an employee's residence and place of work.

Budget Rent A Car's charges, as shown on the Public Safety Commission's nine invoices, were based on either a daily or weekly rental rate. Rental charges for the Administrative Specialist's 22 personal use days, calculated at the daily or weekly charge rate with tax, totaled \$894.54 for the May through November period. Because the Administrative Specialist previously reimbursed the City for personal rental charges totaling \$371.12, the net amount currently owed to the City is \$523.42.

Mileage Records Illustrate the Extent of Administrative Specialist's Personal Use of Budget Rent A Car Vehicles

Because Budget Rent A Car charges a daily or weekly rental rate for its vehicles, the City Auditor believes that it is appropriate to require the Administrative Specialist to reimburse the City \$523.42 based on the total number of days that rental cars were used for personal business. However, a mileage comparison is displayed in Exhibit 2 to illustrate the extent of the Administrative Specialist's personal use of rental cars. Please note that audit staff used Yahoo! Maps, an online mapping database, to estimate the driving distance between the Administrative Specialist's residence and each test site. In addition, the driving distances for the Administrative Specialist's other work related destinations (e.g., between the Washington State Criminal Justice Center and the Public Safety Commission's office, between the residence of another Commission employee and examination sites, etc.) were included in the City mileage calculations.

Exhibit 2 below identifies Budget Rent A Car's total invoice mileage, the Public Safety Commission's City business mileage and the Administrative Specialist's personal mileage.

Exhibit 2 Comparison of Public Safety Commission and Personal Use Mileage in 2000			
Invoice Dates	Total Invoice Miles	Estimated City Business Miles	Estimated Personal Miles
May 5th-22 nd	786	493	293
June 5th-12 th	251	179	72
June 23rd-July 5 th	404	114	290
July 7th-10 th	109	0	109
July 14th-17 th	231	0	231
July 21st-26 th	245	78	167
September 8th-11 th	218	126	92
September 29th-October 2 nd	148	103	45
November 3rd-6 th	247	103	144
Total	2,639	1,196	1,443
Sources: Public Safety Commission's 2000 Examination Schedule, Yahoo! Maps, Budget Rent A Car Invoices, and the Administrative Specialist's 2000 Timesheets.			

As shown in Exhibit 2, only 1,196 miles (45 percent) of the total 2,639 miles documented on Budget Rent A Car's nine invoices, were attributed to City business. Fifty-five (55) percent of the rental car mileage documented on the invoices was attributed to the Administrative Specialist's personal business.

While the mileage calculations provide a reasonable estimate of the magnitude of the Administrative Specialist's personal use, they are only estimates. Because the actual charges were based on Budget Rent A Car's daily or weekly rental rates, it is appropriate to require the Administrative Specialist to reimburse the City for the actual rental charges associated with personal use days. Again, based on the calculation of personal rental day charges, the Administrative Specialist will need to reimburse the City \$523.42.

RECOMMENDATION

1. The Administrative Specialist should reimburse the City in the amount of \$523.42 for rental charges associated with the personal use of vehicles rented for City business between May and November 2000. (Note: As of January 2001, the Administrative Specialist reimbursed the City for \$371.12 of the total \$894.54 in rental charges for personal use days.)

2. The Department of Finance, in cooperation with the Public Safety Commission, should prepare an invoice and make the necessary arrangements for the repayment of the \$523.42 for rental charges.
-

FINDING 2: THE PUBLIC SAFETY COMMISSION DID NOT ESTABLISH CLEAR RENTAL CAR GUIDELINES, AND ITS INFORMAL RENTAL CAR PRACTICES WERE NOT CONSISTENT WITH CITY POLICIES.

Beginning in May 2000, the Public Safety Commission informally and routinely authorized the Administrative Specialist to rent cars under the City's blanket contract with Budget Rent A Car for off-site examinations and when overtime was scheduled to prepare examination materials. However, the Public Safety Commission did not establish clear parameters or conditions under which the rental cars would be authorized.

For example, Public Safety Commission management did not require the Administrative Specialist to contact the Motor Pool prior to renting private vehicles to determine whether City vehicles were available. The City Fleet Administrator indicated that the Public Safety Commission could have made arrangements to use Motor Pool vehicles with advance notice and completion of a Vehicle Special Assignment Form. However, the Secretary and Chief Examiner was not aware of the form or procedures for longer-term use of Motor Pool vehicles. Given that the police and fire examinations were routinely scheduled at least one month in advance of the examination dates, it is likely that City vehicles would have been available if the Motor Pool procedures were followed.

In addition, the Public Safety Commission did not establish clear parameters for the use of rental cars for overtime purposes. For example, the Public Safety Commission did not require the Administrative Specialist to work a minimum number of overtime hours in the office to justify a rental car nor did the Public Safety Commission determine what public transportation was available to accommodate the Administrative Specialist prior to approving rental cars. Based upon Metro Transit's scheduled bus service between Kirkland and Seattle and the total number of work hours, public transportation was available on both weekdays and weekends for all the car rentals attributed to overtime requirements that did not involve scheduled examinations.

In addition, the Administrative Specialist's use of a rental car for commuting to the Public Safety Commission's business office was also inconsistent with the Seattle Municipal Code. Specifically, SMC 4.68.090 prohibits City reimbursement of employees' commutes to and from their residents and regular place of work.

The use of rental cars for overtime purposes was also questionable due to the Administrative Specialist's pattern of renting cars when overtime was scheduled in the office on weekends, but using public transportation when overtime was scheduled in the office on weekdays. For example, the Administrative Specialist rented a vehicle on Friday, July 7th due to a 12-hour shift. She returned the rental vehicle the following Monday morning, even though she worked a 10-hour shift. The pattern was repeated the following weekend with a 12-hour Friday shift and a

12-hour Monday shift. Audit staff confirmed that the bus service scheduled on Fridays was the same as the service scheduled on Mondays, so the need to rent a car on Fridays but not for similar shift schedules during the week was questionable. No examinations were held either weekend. Thus, it appears that the Administrative Specialist rented vehicles from Budget Rent A Car on two consecutive weekends in July for her exclusive benefit and charged the cost to the Public Safety Commission, which is a clear misuse of City resources.

According to the Motor Pool Dispatcher, City vehicles are typically available on weekends without advance notice if the vehicles are returned the following Monday morning. On six occasions, the Public Safety Commission allowed the Administrative Specialist to rent vehicles on a Friday evening for weekend examinations and overtime shifts and to return the rental vehicles the following Monday morning. Thus, Public Safety Commission funds were expended for contractual services that could have supported another internal City service. In addition, the authorization of Budget Rent A Car vehicles rather than use of Motor Pool vehicles, which are clearly marked with the City's insignia, clearly benefited the Administrative Specialist who was able to use the rental cars for personal business.

Personal Use and Authorization of Personal Use of Rental Cars Was Inconsistent with the Seattle Municipal Code.

The Public Safety Commission's authorization of the use of rental cars for personal business was inconsistent with the Seattle Municipal Code (SMC). Specifically, SMC 3.18.140 states that City owned or leased motor vehicles shall be used exclusively for the conduct of municipal business. SMC 4.16.070 states that no City employee shall "use or permit the use of City property for a purpose which is, or to a reasonable person would appear to be, for other than a City purpose." Therefore, the Public Safety Commission's authorization of the personal use of a rental car and the Administrative Specialist's personal use of a rental car secured for City business purposes were inconsistent with City policies. In fact, these activities may constitute a violation of the Code of Ethics.

It should also be noted that SMC 4.04.230 establishes the progressive discipline practices for City employees. Section F of SMC 4.04.230 provides a list of major offenses or violations where a verbal warning or written reprimand is not appropriate in the absence of mitigating circumstances. Continuous use of City time, equipment, or facilities for private gain or other non-City purposes is identified as a violation requiring major discipline.

The Secretary and Chief Examiner indicated that she requested a legal opinion from the Seattle City Attorney's Office in November 2000 regarding the appropriateness of using rental vehicles to commute to off-site examinations and to conduct personal business. However, the request was not made until the conclusion of the six-month rental period, because she was not aware that personal use of rental vehicles was a potential legal issue until the Accounting Services Division notified her in September 2000.⁷

⁷The Accounting Services Division provided the Public Safety Commission with a form to distinguish City and personal expenses associated with the rental car use. The Secretary and Chief Examiner's perception was that personal use was acceptable; however, all personal use of rental vehicles is prohibited by the City code.

Liability Questions Raised Regarding Personal Use of Budget Rent A Car Vehicles

Risk Management raised a serious liability issue regarding the personal use of rental cars. The City does not budget within its self-insurance program to cover an employee's personal use of rental vehicles. According to Risk Management, a public employee in another jurisdiction lost his home to pay damages resulting from an accident that occurred while he was using a county car for personal business.

However, the Administrative Specialist could argue that the City should be held liable for damages resulting from an accident that occurred while she was using the car for personal business, because the Public Safety Commission sanctioned her personal use of the rental vehicles. If the Administrative Specialist successfully argued this position, the City could then be held partially or fully responsible for costs associated with an accident even if the accident occurred while she was using the car to conduct personal business.

RECOMMENDATION

Please see relevant recommendations at the conclusion of Finding 3.

FINDING 3: THE PUBLIC SAFETY COMMISSION'S MANAGEMENT PRACTICES AND INTERNAL CONTROLS WERE INADEQUATE, RESULTING IN INAPPROPRIATE AUTHORIZATION OF CAR RENTAL PAYMENTS.

During the May to November examination period, the Administrative Specialist submitted nine invoices to the Accounting Services Division for car rentals used for both City and personal business. When the Administrative Specialist rented vehicles under the City's blanket contract, she generally obtained invoices from Budget Rent A Car upon returning the vehicles and submitted the invoices to the Secretary and Chief Examiner. The Secretary and Chief Examiner then submitted the invoices along with voucher entry request forms to the Accounting Services Division to process payments to Budget Rent A Car. The Administrative Specialist also submitted three personal checks to reimburse the City for rental charges that were accrued for personal business.

On two occasions, however, the Administrative Specialist used her personal debit card to pay for the rental charges, and then submitted invoices to the Accounting Services Division to pay Budget Rent A Car directly for all charges. Budget Rent A Car subsequently credited the Administrative Specialist's personal account when the direct payments that the Secretary and Chief Examiner authorized were received from the City of Seattle.

Audit staff identified numerous payment vouchers that were inappropriately authorized by the Public Safety Commission's Secretary and Chief Examiner. In some cases, the Secretary and Chief Examiner authorized payments to Budget Rent A Car without reimbursement payments from the Administrative Specialist for personal use of the rental vehicles. As a result, the City paid rental charges that were associated with the Administrative Specialist's personal use of the

rental vehicles. However, the Secretary and Chief Examiner also authorized reimbursement payments from the Administrative Specialist in excess of the actual amount owed to the City. Each of the errors reflects inadequate management review and internal controls.

Public Safety Commission Approved Payment Requests for Rental Car Charges Incurred by Administrative Specialist for Personal Use

For example, the Administrative Specialist submitted invoices to the City for full payment that included rental charges that were accrued on dates when the car was used exclusively for personal business. The July 5th Budget Rent A Car invoice serves as one illustration of the billing and oversight practices for car rental expenses. At the request of the Administrative Specialist, the Secretary and Chief Examiner authorized the payment of the June 23rd Budget Rent A Car invoice totaling \$468.47, and the Finance Department processed the full payment. However, the Administrative Specialist used the rental car for personal business during the five-day period following the June 29th conclusion of the examination cycle. Thus, the City paid approximately \$195 in Budget Rent A Car charges that were clearly incurred for personal business.

In addition, the Secretary and Chief Examiner approved two of the Administrative Specialist's requests for full payment of rental charges totaling \$259.04 that were incurred exclusively for the Administrative Specialist's personal business. Specifically, neither the July 7th nor the July 14th weekend rentals were justified on the basis of City business. Although the Administrative Specialist worked overtime in the office during both weekends, she could have used public transportation to avoid renting vehicles from Budget Rent A Car at the Public Safety Commission's expense. In fact, the Administrative Specialist stated that she erred in submitting the invoices to the Public Safety Commission for payment. Thus, the Public Safety Commission's approval of the invoices for payment indicated that the internal controls for disbursements were inadequate, and that the Secretary and Chief Examiner did not exercise appropriate judgment and authority in approving the unwarranted rental car payments.

Conversely, the Administrative Specialist overpaid the City for rental charges associated with personal business in some instances. For example, the Administrative Specialist reimbursed the City for \$212.94 for a rental car used for three personal days during the May 5th through May 22nd billing cycle. However, based on the average daily rental charge of \$35.49, the Administrative Specialist only owed \$106.47. The Public Safety Commission's approval of an excessive payment, which would ultimately require adjustment, again raises questions about the adequacy of the Commission's internal controls.

It should also be noted that the Administrative Specialist's use of rental cars did not appear to be justified in two instances because no work hours were recorded on her timesheets for scheduled examination dates. The Administrative Specialist was indeed present for the examinations, but her work hours were erroneously entered on the wrong dates on two timesheets. The Secretary

and Chief Examiner's approval of both erroneous timesheets indicated that the Public Safety Commission's record keeping practices were also inadequate.⁸

RECOMMENDATION

1. The Public Safety Commission should develop a policy that clearly defines the circumstances warranting use of a rental car and circumstances requiring reimbursement by the Administrative Specialist. The Public Safety Commission should ask the City Manager of Fleet Administration and the Ethics and Elections Commission to review the draft policy to ensure that it complies with relevant provisions of the Seattle Municipal Code.
 2. The Public Safety Commission should establish appropriate internal controls to account for the expenses incurred by using Budget Rent A Car vehicles. The Secretary and Chief Examiner should ensure that all daily rental charges are consistent with authorized business requirements and that all charges are accurate prior to approving payment voucher requests for processing.
 3. The Public Safety Commission should ensure that the City Motor Pool is contacted prior to renting vehicles from outside vendors and the Vehicle Special Assignment form is completed in advance of examinations. The Vehicle Special Assignment form should be maintained to ensure that there is documentation available to justify any car rentals from outside vendors. Copies of Vehicle Special Assignment forms that are denied by Motor Pool should be retained to ensure that there is documentation to support any car rentals from outside vendors when Motor Pool vehicles are unavailable.
 4. The Administrative Specialist should discontinue personal use of vehicles rented to conduct City business and charging car rental expenses to the City for commutes between the Public Safety Commission business office and her residence.
 5. The Public Safety Commission should consider the extensive commuting requirements associated with off-site testing, in consultation with the Personnel Department, to determine whether access to a private vehicle is a bona fide job requirement for the Administrative Specialist.
-

⁸ The Secretary and Chief Examiner indicated that data was entered on the Administrative Specialist's timesheet without her knowledge and authorization. While another Public Safety Commission staff member erroneously entered her hours on the Administrative Specialist's timesheet on one occasion. However, the error was identified and corrected, and had no bearing on the other timesheet errors identified during the audit analysis, or on the rental car justifications.

APPENDIX 1
PUBLIC SAFETY CIVIL SERVICE COMMISSION
EXECUTIVE RESPONSE

Date	Day of Week	Administrative Specialist's Hours	Examination Location	Invoice Dates	Type of Use	City's Average Daily Rental Cost	City Miles
5-May	Fri	8	--	x	City Business	\$35.49	14
6-May	Sat	8	Interlake High School	x	City Business	\$35.49	48
7-May	Sun	8	Univ. of Washington	x	City Business	\$35.49	31
8-May	Mon	8	Aljoya Conference Center	x	City Business	\$35.49	33
9-May	Tue	8	Aljoya Conference Center	x	City Business	\$35.49	33
10-May	Wed	14	Aljoya Conference Center	x	City Business	\$35.49	33
11-May	Thu	14	Aljoya Conference Center	x	City Business	\$35.49	33
12-May	Fri	13	Aljoya Conference Center	x	City Business	\$35.49	33
13-May	Sat	0	--	x	Personal		
14-May	Sun	0	--	x	Personal		
15-May	Mon	13	Aljoya Conference Center	x	City Business	\$35.49	33
16-May	Tue	13	Aljoya Conference Center	x	City Business	\$35.49	33
17-May	Wed	14	Aljoya Conference Center	x	City Business	\$35.49	33
18-May	Thu	8	Aljoya Conference Center	x	City Business	\$35.49	33
19-May	Fri	8	Aljoya Conference Center	x	City Business	\$35.49	33
20-May	Sat	7	Tyee High School	x	City Business	\$35.49	56
21-May	Sun	0	--	x	Personal		
22-May	Mon	8	--	x	-- ^a		14
5-Jun	Mon	8	Aljoya Conference Center	x	City Business	\$36.50	33
6-Jun	Tue	8	Aljoya Conference Center	x	City Business	\$36.50	33
7-Jun	Wed	13	Aljoya Conference Center	x	City Business	\$36.50	33
8-Jun	Thu	13	Aljoya Conference Center	x	City Business	\$36.50	33
9-Jun	Fri	13	Aljoya Conference Center	x	City Business	\$36.50	33
10-Jun	Sat	0	--	x	Personal		
11-Jun	Sun	0	--	x	Personal		
12-Jun	Mon	11	Aljoya Conference Center	x	-- ^a		14
23-Jun	Fri	13	--	x	City Business	\$39.04	14
24-Jun	Sat	8	--	x	Personal		
25-Jun	Sun	0	--	x	Personal		
26-Jun	Mon	15	Aljoya Conference Center	x	City Business	\$39.04	25
27-Jun	Tue	13	Aljoya Conference Center	x	City Business	\$39.04	25
28-Jun	Wed	13	Aljoya Conference Center	x	City Business	\$39.04	25
29-Jun	Thu	13	Aljoya Conference Center	x	City Business	\$39.04	25
30-Jun	Fri	8	--	x	Personal		
1-Jul	Sat	0	--	x	Personal		
2-Jul	Sun	0	--	x	Personal		
3-Jul	Mon	8	--	x	Personal		
4-Jul	Tue	8	--	x	Personal		
5-Jul	Wed	8	--	x	-- ^a		
7-Jul	Fri	12	--	x	Personal		
8-Jul	Sat	8	--	x	Personal		
9-Jul	Sun	0	--	x	Personal		
10-Jul	Mon	10	--	x	-- ^a		

APPENDIX 1
PUBLIC SAFETY CIVIL SERVICE COMMISSION
EXECUTIVE RESPONSE

Date	Day of Week	Administrative Specialist's Hours	Examination Location	Invoice Dates	Type of Use	City's Average Daily Rental Cost	City Miles
14-Jul	Fri	12	--	x	Personal		
15-Jul	Sat	0	--	x	Personal		
16-Jul	Sun	8	--	x	Personal		
17-Jul	Mon	12	--	x	-- ^a		
21-Jul	Fri	12	Univ. of Washington	x	City Business	\$42.59	16
22-Jul	Sat	11	Univ. of Washington	x	City Business	\$42.59	31
23-Jul	Sun	11	Univ. of Washington	x	City Business	\$42.59	31
24-Jul	Mon	8	--	x	Personal		
25-Jul	Tue	10	--	x	Personal		
26-Jul	Wed	8	--	x	-- ^a		
8-Sep	Fri	8	--	x	City Business	\$42.59	14
9-Sep	Sat	3	Criminal Justice Center	x	City Business	\$42.59	75
10-Sep	Sun	10	Univ. of Washington	x	City Business	\$42.59	23
11-Sep	Mon	8	--	x	-- ^a		14
29-Sep	Fri	8	--	x	City Business	\$49.35	14
30-Sep	Sat	0	--	x	Personal		
1-Oct	Sun	14	Criminal Justice Center	x	City Business	\$49.35	75
2-Oct	Mon	8	--	x	-- ^a		14
3-Nov	Fri	8	--	x	City Business	\$48.22	14
4-Nov	Sat	0	--	x	Personal		
5-Nov	Sun	12	Criminal Justice Center	x	City Business	\$48.22	75
6-Nov	Mon	8	--	x	-- ^a		14

Note ^a: Indicates days that rental cars were returned to Budget Rent A Car so no rental charges were incurred.

Sources: Budget Rent A Car Invoices, the Public Safety Commission's 2000 Examination Schedule, the Administrative Specialist's 2000 Timesheets, and Yahoo! Maps.



City of Seattle

APPENDIX 2 PUBLIC SAFETY CIVIL SERVICE COMMISSION EXECUTIVE RESPONSE

Paul Schell, Mayor

Public Safety Civil Service Commission

Public Safety Civil Service Commissioners:

James A. Fossos

Barbara Laners

Noreen Skagen

Secretary and Chief Examiner

Ruby Dell Harris

April 16, 2001

Susan Cohen, City Auditor
Office of the City Auditor
400 Key Tower
700 Fifth Avenue
Seattle, WA 98104

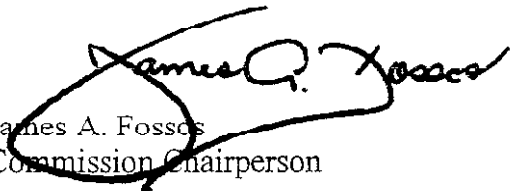
Dear Ms. Cohen:

Thank you very much for giving the Commission additional time to address issues you raised in your draft report on the use of the Budget Rent-A-Car by the Public Safety Civil Service Commission.

I believe that the Secretary and Chief Examiner has put together information that will be most helpful for you in concluding your report. The issues Ruby Dell Harris addressed in her response were ones in which I felt needed further explanation.

Thank you again for allowing me to comment.

Sincerely,


James A. Fossos
Commission Chairperson

JAF:ed



City of Seattle

Paul Scheil, Mayor

Public Safety Civil Service Commission

Public Safety Civil Service Commissioners:

James A. Fossos

Barbara Laners

Noreen Skagen

Secretary and Chief Examiner

Ruby Dell Harris

April 16, 2001

Susan Cohen, City Auditor
Office of the City Auditor
4090 Key Tower, 700 Fifth Avenue
Seattle, WA 98104

Dear Ms. Cohen:

The following is my response to the draft City Auditor's report on the Public Safety Civil Service Commission. I have systematically gone through the document and responded to areas which I feel have not been characterized accurately.

CHAPTER I: INTRODUCTION

"However, the Public Safety Commission also allowed the Administrative Specialist to use the rental cars for scheduled overtime in the Commission's business office and for personal use."

This statement is inaccurate.

The Public Safety Civil Service Commission authorized the rental of Budget Rent-A-Car for "off-site" Police Officer and Firefighter exams and activities associated with testing, ONLY. The Budget Rent-A-Car was rented under the City's blanket contract and the bills were submitted to me, which I approved.

The Administrative Specialist did use Budget Rent-A-Car for her exclusive personal use supported by receipts and she paid for its use. These activities had nothing to do with City business. If she used Budget Rent-A-Car while it was billed under the blanket contract

(City use) she reimbursed the City. She submitted the bill and her personal check to me for deposit and these occasions were for the off-site testing.

Public Safety Commission's Requirements for Rental Cars

"Due to the large number of Seattle Fire and Police Department examinations, applicants and space constraints during 2000, the Public Safety Commission frequently conducted examinations at locations other than its business office. In fact, 31 examinations were conducted between May and November 2000 at five off-site locations: The Aljona Conference Center (Seattle), the University of Washington (Seattle), Interlake High School (Bellevue), Tyee High School (South Seattle), and the Washington State Criminal Justice Center (Burien)."

All City of Seattle Fire and Police Department entry-level exams are administered off-site and primarily on Saturdays and Sundays. Each eligible staff person receives overtime per City policies.

All City of Seattle Fire and Police Department entry level exams have been conducted off-site and normally on Saturdays and Sundays. The Commission has not been able to obtain adequate space within City facilities to conduct these exams. Two test locations were not mentioned in the above statement. Police Officers' promotional exams were held at the Holiday Inn Hotel near Seattle Center and entry-level Police Officers' physical agility tests were being administered at Lake Washington High School in Kirkland Washington. Staff told me it was the best location for administering the entry-level Police Officer physical agility test.

Although the Public Safety Commission conducted examinations throughout 2000, the Administrative Specialist was able to secure Motor Pool vehicles for transportation to off-site examinations until May 2000. In May 2000, the Motor Pool referred the Administrative Specialist to Budget Rent A Car because no vehicles were available for a series of 13 examinations scheduled during a 15-day period. The Public Safety Commission did not provide sufficient advanced notice to secure a Motor Pool vehicle for the examination series.

The Public Safety Commission *did not provide sufficient advanced notice* to secure a Motor Pool vehicle for the examination series.

This is an inaccurate statement.

The Public Safety Civil Service Commission did provide sufficient advanced notice to the Motor Pool staff to secure a Motor Pool vehicle for the Firefighter promotional examination series. City Motor Pool staff told us that they could not accommodate our

needs and recommended we rent from Budget Rent-A-Car. We were never told we had to go to the City Motor Pool first.

However, no further attempts were made to secure a Motor Pool vehicle for subsequent examinations cycles and scheduled overtime, and the Secretary and Chief Examiner continued to authorize the Administrative Specialist's use of rental cars for those purposes. The Public Safety Commissioners were aware of the rental car practices.

This is a misstatement. The Commissioners, to the best of my knowledge, were not aware of the rental car practices.

Entry-level Police Officer and Firefighter written exams are usually held at the University of Washington and on Saturdays and Sundays. (**Eligible** Commission personnel, who work at the examination cycles get paid overtime or compensation time.) This is not a separate activity -- examinations cycles are scheduled overtime. The Police and Fire promotional examinations were held off-site during the week and on weekends. Staff began working at 6:00 a.m. and ended some days as late as 8:00 p.m.

The Police Officer physical exams were being held at local City of Seattle High Schools. Staff was very dissatisfied with the City of Seattle schools facilities and track field accommodations. The Administrative Specialist is an alumnus of Lake Washington High School and recommended they consider using its facility for the entry-level Police physical agility tests. The Police Officer Special Exams Analyst visited the school and began using Lake Washington High School as our test site, because the accommodations were better.

The Administrative Specialist lives within walking distance of Lake Washington High. When physical agility exams were administered at this site she walked to the test site. When tests were administered at the University of Washington she stayed in Seattle at a friend's home and they would take her to the University of Washington. When the Police promotional exams were administered at the Holiday Inn near Seattle Center she stayed at the hotel (and paid \$100 per night with her own personal funds). The Administrative Specialist was generous and allowed the Police Special Exams Analyst to store Commission test materials in her hotel-room each night. The Police Special Exams Analyst did not need to carry the test materials back and forth from the Office to the test site. Because of this arrangement the exam run more efficiently

The Police Special Exams Analyst began complaining about scheduling problems at Lake Washington High School and changed the location. The Police Officer physical agility test location was changed to Interlake High School in Bellevue, Washington and Tyee High School. The Administrative Specialist requested use of a City Motor Pool car to get

to Interlake High School and Tyee High School and her requests were granted. If my memory serves me correctly, she has only used the City Motor Pool car twice.

The Police Department requested that the Commission begin conducting entry-level Police Officer tests on the first Sunday of each month at the Washington Criminal Justice Training Commission located at 19010 1st Avenue South, Burien, Washington. This location is closer to the Police Special Exams Analyst's home in Federal Way, Washington. The Police Department's request was granted on July 19, 2000.

The monthly Police Officer entry-level tests began October 1, 2000 and the Administrative Specialist has been present at each test (October, November, December, January, February, March and April 2001). She has rented a Budget-Rent-A-Car on the Friday prior to the first Sunday of each month in order to be at the test site in Burien.

The Seattle City Council's Ordinance 119276 relating to the Public Safety Civil Service Commission established a non-refundable application fee of twenty-five dollars (\$25.00) for entry level firefighters and police officer applicants. The Administrative Specialist is responsible for collecting the application fees and those fees are currently being collected at the Washington State Criminal Justice Training Commission when entry-level Police Office candidates are tested monthly.

Accountant Marie Tschirgi, Special Finance, Executive Services Department, has completed an analysis on the Administrative Specialist's use of Budget Rent-A-Car and submitted that analysis to the City Auditors. The Administrative Staff Assistant, Rose Alves, and the Police Special Exams Analyst, Rachael Schade, submitted this information to her. I assume, the accumulation of the mileage for the use of Budget Rent-A-Car is as follows:

- Administrative Specialist picks up the Budget Rental-A-Car located at Fourth and Columbia and drives to her home in Kirkland, Washington.
- She leaves home in Kirkland, Washington and goes to Washington State Criminal Justice Training Commission located at 19010 1st Avenue South in Burien, Washington.
- She leaves from Washington State Criminal Justice Training Commission and goes to the Commission Office located at 700 Third Avenue, Suite 360 in Seattle, Washington and secures monies collected from candidates' application fees.
- She leaves the Commission Office and goes back to Washington State Criminal Justice Training Commission and continues to assist with test activities at the WSCJC.
- She leaves Washington State Criminal Justice Training Commission and returns to her home in Kirkland, Washington. These are the normal activities associated with

the Administrative Specialist's involvement in administering the monthly Police Officer's entry-level tests.

The Finance Department did not notify me about its concerns related to Budget Rent-A-Car. I received requests for information from the Finance Department and I provided all documents and complied with their request for me to implement a reimbursement form related to Budget Rent-A-Car, which separated business and personal use. I was not made aware Finance had concerns. Rather than the Finance Department letting me know it had additional concerns and informing me that our Department was not complying with City policies, Finance dealt with my subordinate staff rather than notifying me. I was not given the opportunity to deal with their issues and concerns. Although I am ultimately responsible for complying with City policies, it would have been better if Finance would have been "more professional and business-like" by notifying me that there was a problem.

It is true; I keep the Commissioners apprised of problems and concerns raised by other City Departments. It is my responsibility to notify the Commissioners and to resolve or attempt to resolve problems that may be brought to my attention by individual citizens, Department staff, City officials, and union representatives. It is difficult to resolve unforeseen or unidentified problems.

My question to the Finance Department is why did Finance not inform me that City policies were not being adhered to concerning the rental of Budget Rent-A-Car? In addition, if other issues and problems existed why were those problems not brought to my attention? The Police Special Exams Analyst Rachael Schade and Administrative Staff Assistant Rose Alves were not the people responsible for resolving problems within the Public Safety Civil Service Commission. I am responsible.

STUDY OBJECTIVES

The City Auditor's Office initiated the Public Safety Civil Service Commission's Budget Rent A Car Practices Audit in October 2000. The primary objectives of this audit were to review the Public Safety Commission's management guidelines and internal controls for the authorization and payment of rental cars and to determine whether the Administrative Specialist's car rentals were appropriately justified on the basis of City business.

The Public Safety Civil Service Commission's management guidelines and internal controls are consistent with the standard practices for paying other vendors and processing reimbursements from staff.

The Finance Department requested the Commission establish a payment form that identified when staff's reimbursements were being made for Budget Rent-A-Car. I

complied with the Finance Department's request. At the time this form was implemented, it was my understanding that all concerns Finance had raised was resolved.

I have attempted to gather information related to management guidelines and internal controls developed by other Departments for the use of Budget Rent-A-Car, but have not been successful in gathering this information.

The Auditors were informed that Commission staff had accessed the Administrative Specialist timesheet and recorded information without her consent and my authorization. Therefore, I could not verify that all information on her timesheets was accurate. When I learned the Administrative Specialist's timesheet had been entered and altered without my authorization, I removed the Administrative Staff Assistant Rose Alves' name from having the authorization to access and input information on staff's timesheets. In addition, the Special Exams Analyst Rachael Schade had the Administrative Specialist's completed timesheet in her possession. Only my Administrative Staff Assistant, the Finance Department and I would have been able to provide Rachael Schade with a copy of the Administrative Specialist's timesheet. I did not give Rachael Schade a copy of the Administrative Specialist's timesheet.

The Administrative Specialist submitted overtime hours during test cycles that is consistent with the overtime hours submitted by the Special Exams Analysts and other staff assigned to assist with the administration of exams.

The Budget Rent-A-Car bills submitted by the Administrative Specialist were consistent with the timeframe of test administration.

The Auditors were informed that the Finance Department requested the Administrative Specialist provide all documents from Budget-Rent-A-Car in order for Finance to pay the vendor. She told the Auditors (in my presence) she submitted all the Budget Rent-A-Car documents she had and informed the Administrative Staff Assistant Rose Alves that she needed to sort the documents out in relationship with the tests that had been administered.

The Auditors did not mention that during the course of the Audit the Administrative Specialist learned the City had reimbursed her credit card for several hundred dollars, without her knowledge. What was the justification and who authorized the reimbursement to the Administrative Specialist's credit card?

I did not authorize any reimbursements and the Administrative Specialist did not request reimbursement to her credit card. According to the Administrative Specialist, the Auditors and Budget Rent-A-Car are the only people who had access to her credit card information.

As a matter of fact, Administrative Specialist's last request for payment was submitted to the Finance Department when the audit began. The Finance Department held that particular request (because an audit had been initiated) and that particular request was returned to our Office without being processed. To my knowledge there are no Budget Rent-A-Car payments pending, because the Administrative Specialist paid all the Budget Rent-A-Car bills from October 2000 through April 2001 on her personal credit card. I do feel the City owes her reimbursement for her use of Budget Rent-A-Car for the periods she attended tests in Burien and to the University of Washington.

Administrative Specialist's Duties and Transportation Requirements

"The Administrative Specialist was employed by the Public Safety Commission to handle a variety of administrative responsibilities, which included assisting with the preparation of examination materials and monitoring examination processes. The Administrative Specialist, who lived in Kirkland, did not own a car and generally relied upon public transportation to commute to and from the Commission's business office in downtown Seattle. The Public Safety Commission was required to make alternate transportation arrangements for the Administrative Specialist to commute between her residence and the off-site examination locations between May and November 2000. The Public Safety Commission authorized the Administrative Specialist to rent nine Budget Rent Car vehicles."

The Administrative Specialist currently lives in Kirkland, she does not own a car, and relies on public transportation to commute to and from the Commission's business office in downtown Seattle. After Initiative I-695 passed, access to public transportation has been greatly reduced. Bus Route #254 was changed to a local shuttle and this particular bus no longer came into downtown Seattle. She does have a transportation problem, but the Commission did not resolve her transportation problems by authorizing her to obtain Budget Rent-A-Car for her personal use.

FINDINGS AND RECOMMENDATIONS

FINDING 1: PUBLIC SAFETY COMMISSION'S SECRETARY AND CHIEF EXAMINER APPROVED CAR RENTALS THAT WERE NOT CONSISTENTLY JUSTIFIED ON THE BASIS OF CITY BUSINESS

FINDING 2: THE PUBLIC SAFETY COMMISSION DID NOT ESTABLISH CLEAR RENTAL GUIDELINES, AND ITS INFORMAL RENTAL CAR PRACTICES WERE NOT CONSISTENT WITH CITY POLICIES.

FINDING 3: THE PUBLIC SAFETY COMMISSION'S MANAGEMENT PRACTICES AND INTERNAL CONTROLS WERE INADEQUATE, RESULTING IN INAPPROPRIATE AUTHORIZATION OF CAR RENTAL PAYMENTS.

“As noted in Chapter I, the Secretary and Chief Examiner authorized the use of rental cars when the Administrative Specialist commuted between her residence and off-site examination locations. In addition, the Secretary and Chief Examiner informally authorized the Administrative Specialist to use rental cars for commuting purposes when over-time was scheduled in the office to prepare examination materials. However, with the tacit approval of the Public Safety Commission and the explicit approval of the Secretary and Chief Examiner, the Administrative Specialist also used rental cars, secured from Budget Rent A Car for City business, to conduct personal business. The Administrative Specialist indicated that she also rented cars from Budget Rent A Car under the City's blanket Contract exclusively for personal business.”

The statement: “In addition, the Secretary and Chief Examiner informally authorized the Administrative Specialist to use rental cars for commuting purposes when over-time was scheduled in the office to prepare examination materials. However, with the tacit approval of the Public Safety Commission and the explicit approval of the Secretary and Chief Examiner, the Administrative Specialist also used rental cars, secured from Budget Rent A Car for City business, to conduct personal business. The Administrative Specialist indicated that she also rented cars from Budget Rent a Car under the City's Blanket Contract exclusively for personal business.”

These statements mischaracterize the truth and are not true statements.

I have not formally or informally authorized the Administrative Specialist to use Budget Rent-A-Car to work overtime or for her personal use.

I have only authorized her use of Budget Rent-A-Car for off-site testing and City business.

I instructed the Administrative Specialist to be at test sites, pick up a staff person, take her to the test sites and return the individual to her home. The locations I instructed her to be at was not her regular work site and I authorized her to rent the Budget Rent-A-Car in order to accomplish those tasks.

Let me be clear, when entry level Police Officer and Firefighter exams are administered those tests are scheduled on Saturdays and Sundays and located at sites away from 700 Third Avenue, Suite 360, which is our regular work site. The tests are primarily administered on Saturdays and Sundays and each staff who works is given overtime according to the Fair Labor Standards Act. Full-time staff is paid time and one-half or

receives comp time at the same rate (time and one-half). Part-time staff must first work over 40 hours before they can receive overtime pay.

At no time has a staff person been requested or authorized to come into work *“use rental cars for commuting purposes when over-time was scheduled in the office to prepare examination materials.”* I have not, to my knowledge, signed off on any Budget Rent-A-Car for the purposes stated above.

This statement is absolutely false.

Each time the Administrative Specialist used Budget Rent-A-Car to administer test *away from our regular work site*, which is 700 Third Avenue, Suite 360, **if she used** the car during that period for her personal use, she reimbursed the City. I did not ask her to reimburse the City or if she used the car for personal use -- she initiated the reimbursement payment on her own. She was honest about her use of the car and she paid for the use. What about the additional money owed – how was it calculated?

During the promotional Firefighter exams, I requested she transport another staff person to and from the test sites Monday through Friday. The majority of the exams were held at Aljoya Conference Center. One Police Officer entry-level test was held at Interlake High School in Bellevue, Washington, another test at Tyee High School. She came into Seattle, picked up the other staff person and transported her to Bellevue and the other the test site on the test dates, returned the staff person to her home in Seattle and then went home.

I really wonder whether these activities were considered and correctly assessed by the Finance Department and the Auditors.

According to the bills from Budget Rent-A-Car, the daily rate was multiplied by the number of days the car was used. The mileage was not calculated in by Budget Rent-A-Car. Only the 18.50% tax was added into the cost. If the Administrative Specialist did not fill the gas tank the amount of gas would be included. The Administrative Specialist indicated she normally fills the gas tank. Mileage was not a cost that was calculated into the bills. So why is the Auditors calculating mileage when the Administrative Specialist paid for the whole day when she used the car for personal use? The Administrative Specialist did not submit a request for reimbursement for gas; instead, she just paid for the gas.

According to Budget Rent-A-Car, we asked and they informed us that other City employees get the same accommodations and rates as the Administrative Specialist receives. Another City employee can rent Budget Rent-A-Cars for work related (blanket

contract) activities or for personal use and get the City contracted rates. The City employee just needs to let Budget Rent-A-Car staff know that he/she is a City employee.

The Finance Department provided the statistical information concerning my staff person to the Auditors. But, I cannot substantiate that all the information is accurate. I only provided information reconstructed from test schedules, which may or may not have been accurate. Rose Alves, Administrative Staff Assistant, had accessed the Administrative Specialist timesheets and data was entered without my authorization and knowledge. I felt so uncomfortable that I removed Rose Alves as my backup as payroll timekeeper for the Department. Based on inappropriate and unsatisfactorily explained activities of the Administrative Staff Assistant, I was not comfortable in telling you that all the information provided by the Finance Department was accurate.

I take full responsibility for the Budget Rent-A-Car bills given to me for signature and felt comfortable signing for payment, because tests had been administered during the time period. To my knowledge and recollection, I have only authorized payments to vendor for tests administered.

To my knowledge, the Administrative Specialist has never given me bills for her personal use of Budget Rent-A-Car or to work overtime at 700 Third Avenue, Suite 360. If this happened I do not believe it was intentional and that the personal bills were inadvertently not separated from the business use. Budget Rent-A-Car bills submitted to me were for test administration periods and activities associated with off-site testing.

Last, but not least the Administrative Specialist's (who is working out-of-class as an Administrative Staff Assistant) is Mamie D. Hill. I did not expect nor do I expect this staff person to take City funds home. I believe it is proper for her to bring the funds into the Office and secure them in our vault. She is not an uniformed Police Officer and she does not carry a gun. She is not provided an escort to her home nor is she provided one to the Commission Office, but I expect her to be safe.

In my best judgment and belief, it is prudent that she come to the Office and secure the funds in our vault after they have been collected at the test-site. In order to maximize her efforts and time, **she is allowed** to complete the data entry on the candidates who are testing that day, then return to the test site with the proofing report to verify the candidates' names, addresses, telephone numbers and other data collected is correct. She then helps the Police Special Exams Analyst with other activities, i.e., monitoring, etc. All staff has a choice of overtime or compensatory time during this process. The normal test workday is 10 to 12 hours. If City policy is telling me this is an inappropriate activity then I believe the Policy needs to be reviewed and possibly changed.

Susan Cohen, City Auditor
04/16/01
Page 11

The Commission will comply with the recommendations of the City Auditors by gathering the City policies and established internal controls from other Department for the use of rental cars, then implementing those established policies within the Public Safety Civil Service Commission.

This concludes my response to your audit report.

Sincerely,

A handwritten signature in cursive script that reads "Ruby Dell Harris".

Ruby Dell Harris
Secretary and Chief Examiner

APPENDIX 3
AUDITOR'S COMMENTS TO PUBLIC SAFETY
CIVIL SERVICE COMMISSION'S EXECUTIVE RESPONSE

The Public Safety Commission's Executive Response, printed in its entirety in Appendix 2, largely ignores the findings and constructive recommendations presented in the audit report. In fact, the Executive Response patently disregards the serious management and internal control deficiencies that were evident in the audit findings on the Public Safety Commission's rental car practices. The Executive Response is silent on the audit recommendations. Unfortunately, the Public Safety Commission's and Secretary and Chief Examiner's unwillingness to acknowledge and address the reported deficiencies through a corrective action plan further demonstrates the Public Safety Commission's management weaknesses.

The Public Safety Commission provides a ten-page, twofold response to the audit report. The first section of the Executive Response contains rebuttals to specific audit text, and the second section contains a general rebuttal of the audit findings. The Auditor's Comments provide explicit explanations and documentation to substantiate the audit findings and to refute the disclaimers contained in the Executive Response.

Commission Disclaimer 1: On page 2 of the Executive Response, the Secretary and Chief Examiner takes exception with the audit text referring to the Administrative Specialist's use of rental cars for scheduled overtime in the Commission's business office and for personal use. She states that the Public Safety Commission authorized rental cars for "off-site police officer and firefighter exams and activities associated with testing ONLY." On page 9, the Secretary and Chief Examiner states: "I have not, to my knowledge, signed off on any Budget Rent-A-Car for [commuting] purposes" when overtime was scheduled in the office.

Auditor's Comments: In a September 13th memorandum (Attachment 1) to the Accounting Services Division, the Secretary and Chief Examiner provides the following justification for the Administrative Specialist's use of rental cars: ". . . Ms. Hill was required to work late at night [in the office] in preparation for the test dates that are listed above." The Secretary and Chief Examiner also acknowledges in the last paragraph on page 2 of the Executive Response that the Administrative Specialist reimbursed the City if she used a rental car for personal business when the rental car was "was billed under the blanket contract." Thus, the Secretary and Chief Examiner was fully cognizant of the Administrative Specialist's use of rental cars for both test preparation time in the office and personal business, which violated City policies.

In addition, the Secretary and Chief Examiner personally signed and authorized the voucher entry requests (Attachment 2) to process payments for each of the nine rental cars. The Secretary and Chief Examiner's unwillingness to acknowledge these facts, to accept responsibility for authorizing rental cars for commuting purposes and personal business; and to institute internal guidelines to preclude their recurrence demonstrates the Public Safety Commission's management limitations. Specifically, the Secretary and Chief Examiner is either unwilling or unable to manage in accordance with City laws and policies.

APPENDIX 3
AUDITOR'S COMMENTS TO PUBLIC SAFETY
CIVIL SERVICE COMMISSION'S EXECUTIVE RESPONSE

Commission Disclaimer 2: On page 5 of the Executive Response, the Secretary and Chief Examiner states that the Finance Department did not directly inform her that the Public Safety Commission's rental car practices were inconsistent with City policies.

Auditor's Comments: The Accounting Services Division initiated correspondence with the Public Safety Commission that raised specific questions and concerns about its rental car practices and cited City policies prohibiting the use of rental cars for commuting purposes. In fact, the Accounting Services Division's July 25, 2000 memorandum to the Secretary and Chief Examiner requested clarification of the circumstances requiring the use of rental cars and the basis for calculating the requested reimbursements (Attachment 3). The Accounting Services Division sent a second memorandum on August 15, 2000 that reiterated the City's policy disallowing the Administrative Specialist's use of rental cars for commuting purposes (Attachment 4). The Secretary and Chief Examiner did not formally respond to the Accounting Services Division's memoranda until September 13, 2000, two months after the first notification of the rental car issues (Attachment 1).

Commission Disclaimer 3: On pages 3 and 5 of the Executive Response, respectively, the Secretary and Chief Examiner states that the "Commissioners, to the best of my knowledge, were not aware of the rental car practices, . . . [and] it is my responsibility to notify the Commissioners and to resolve or attempt to resolve problems that may be brought to my attention by individual citizens, department staff, City officials, and union representatives. It is difficult to resolve unforeseen or unidentified problems."

Auditor's Comments: The Secretary and Chief Examiner indicated that the Public Safety Commissioners sanctioned the use of rental cars for off-site examinations on page 2 of the Executive Response, and the use of rental cars were discussed at the August 30, 2000 Commission meeting as one expense contributing to the Public Safety Commission's projected 2000 overexpenditures referenced in Item No. 7 of the meeting minutes as Budget Report (Attachment 5). During an audit interview, Commissioner Fossos also referenced a 2001-02 supplemental budget request for a \$25,000 van to transport staff and materials to test sites (Attachment 6), which would prevent future rental car issues if approved. In addition, Commissioner Fossos's acknowledgement of the Administrative Specialist's responsibility for any expenses associated with personal use of rental vehicles confirmed his prior knowledge of the rental car issues.

Audit staff agree that all three Public Safety Commissioners may not have been fully aware of the issues associated with the Administrative Specialist's rental car practices. However, the correspondence contained in Attachments 1, 3, and 4 clearly documents that the Accounting Services Division raised "interdepartmental" issues in July and August 2000, which warranted Commission attention. If the three Commissioners were not informed of the extent of the rental car practices and the Accounting Services Division's concerns by the August 30th Commission meeting, then the Secretary and Chief Examiner did not fulfill an important reporting obligation to the Commission.

APPENDIX 3
AUDITOR'S COMMENTS TO PUBLIC SAFETY
CIVIL SERVICE COMMISSION'S EXECUTIVE RESPONSE

The Secretary and Chief Examiner states that it was difficult to resolve unforeseen or unidentified problems, and questions why the Finance Department did not inform her that the Commission's rental car practices did not adhere to City policies. Again, the Accounting Services Division's correspondence confirms that the Secretary and Chief Examiner was informed in July 2000 that the rental car practices potentially violated City policy. At that point, the primary responsibility for further investigating City policies and ensuring that the Commission's rental car practices were brought into compliance with City policies rested with the Commission and Secretary and Chief Examiner. However, the Secretary and Chief Examiner did not seek an expert opinion on City policies until November (Attachment 7) and continues to claim in the Executive Response to the audit that she was uninformed despite incontrovertible evidence to the contrary.

Commission Disclaimer 4: On page 5 of the Executive Response, the Secretary and Chief Examiner indicates that the Public Safety Commission's management guidelines and internal controls are consistent with City practices for paying other vendors and processing reimbursements from staff. On page 6, the Secretary and Chief Examiner asks: "What was the justification and who authorized the reimbursement to the Administrative Specialist's credit card [for the personal car rentals]?"

Auditor's Comments: Again, the Secretary and Chief Examiner states that she adhered to City practices [policies] in processing the payments for the nine car rentals, and did not have any knowledge of the reimbursements to the Administrative Specialist's credit card. Attachment 8 displays the Secretary and Chief Examiner authorization of the voucher entry requests for two personal car rentals and the subsequent credits that Budget Rent A Car applied to the Administrative Specialist's personal credit card account after receiving City payments for the two personal car rentals. Budget Rent A Car's credits to the Administrative Specialist's personal credit card account, which were brought to the attention of the Secretary and Chief Examiner during the audit review, should have been reversed immediately after she was informed.

This example speaks for itself. The Secretary and Chief Examiner's authorization of two voucher entry requests for personal rental vehicles demonstrates that she neither understands the purpose of effective internal controls nor exercises sound judgment in financial management processes. The Commission is exposing itself to greater risk of loss, as well as potential fraud, if these practices are replicated in other Public Safety Commission reimbursement processes.

In summary, the Public Safety Commission's Executive Response largely ignores the audit findings and recommendations, and instead attempts to rebut factual information presented in the audit text. However, the Commission's rebuttal is not supported by additional evidence that either alters or sheds new light on the audit findings. Given the evidence presented in the audit and attached to the Auditor's Comments, the Public Safety Commission should turn its attention from further audit rebuttals toward the development of a corrective action plan that effectively addresses its own management and internal control weaknesses.